

Sanitized Copy Approved for Release 2010/01/25 : CIA-RDP85T01058R000303540001-1

file copy

DATE 11/12/85

DOC NO EURM 85-10/85

OCR CYS 3

P&PD CY 1

Central Intelligence Agency



Washington, D. C. 20505

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6 November 1985

West Germany: The European Dimension of Bonn's Foreign Policy

Summary

We believe Bonn, in terms of its foreign policy priorities, views European integration--especially closer bilateral ties with France--as second in importance only to maintaining close relations with the United States.

- West Germany's export-oriented economy is more integrated with and dependent on Western Europe than any other area of the world.
- The West Germans believe that a more closely knit region will increase Western Europe's voice in world affairs and in NATO.
- Many in West Germany and elsewhere see integration as necessary to prevent a resurgence of German nationalism or an increase in German neutralist sentiment.

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There is a consensus among the major parties and in public opinion in favor of closer European cooperation despite occasional dissatisfaction over the slow pace of integration, the perceived "un-European" behavior of some of partners, and the disproportionate size of West Germany's financial contribution. Some changes are taking

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place in West Germany's European policy, however. To a much greater extent than before-- and to the occasional surprise and irritation of its partners--the West Germans are becoming more assertive in advancing their own interests, even on issues where they are totally isolated. In the aftermath of the long and divisive INF debate, the Kohl government is devoting significantly more attention to expanding European cooperation on defense and security issues. And because of the presence in the EC of such "problem" countries as Greece, Denmark, and Ireland, Bonn is now increasingly willing to look to more limited forums--including the Western European Union--to achieve its objectives. [REDACTED]

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France is and will remain West Germany's major European partner, and progress toward greater European cooperation is likely to depend on the health of this relationship. A key prerequisite for expanded bilateral cooperation on defense and security issues is West Germany's perception that France has moved closer to NATO and is no longer trying to force Bonn to choose between Washington and Paris. There are near-term constraints, however, that probably will limit the extent of Franco-German cooperation. The stronger performance of the West German economy and Bonn's unwillingness (and inability) to force German firms to cooperate with their French counterparts that are often state-controlled or less efficient sometimes will lead to tensions or preclude cooperation. On security issues, the French propensity to insist on independence from Washington--most recently on SDI--will cause the West Germans to be alert for any US concerns about the Franco-German relationship. The West Germans also claim that the continuing French reluctance to discuss issues related to the deployment and use of French nuclear forces in wartime limits the potential for bilateral defense cooperation. [REDACTED]

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West Germany's European policy is an important complement to its close relationship with the United States in maintaining domestic stability and its pro-Western orientation. Evidence of greater European cooperation helps minimize domestic political problems stemming from the perception that Bonn governments are

subservient to Washington in what is--after all--
an unequal relationship. These benefits must be
balanced against the prospect that the United
States may be confronted with more unified
European stands on selected defense and arms
control issues. [REDACTED]

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In terms of its foreign policy priorities, we believe Bonn
views promotion of European integration as second in importance
only to maintaining good relations with the United States.* This
ordering of priorities--determined originally by the Christian
Democratic-led governments of Konrad Adenauer--has remained
constant since the 1950s, regardless of who has governed in
Bonn. [REDACTED]

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West German support for European integration initially was
motivated by a desire to regain economic and political equality
with the other West Europeans. For example, membership in the
European Coal and Steel Community eliminated Allied control over
German coal exports and the structure of its steel industry. At
the same time, acceptance by its West European neighbors and
former enemies was a prerequisite for West German membership in
NATO. West Germany regained sovereignty only when it joined NATO
in 1955. [REDACTED]

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West German proponents of European integration in the early
postwar period were motivated by the belief that integration was
necessary to lessen the national rivalries that had caused
Europe's wars, as well as to foster a new European identity that
would avert a rebirth of German chauvinism. Public and private
statements by West German leaders indicate they continue to be
driven by these sentiments. The renewed--sometimes almost
desperate--West German quest for progress on the European front
since INF deployments began in late 1983 was driven in part by
the fear that the political climate resulting from the INF debate
could spark a rebirth of German nationalism, possibly accompanied
by increased neutralist sentiment. [REDACTED]

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More importantly, public statements by officials in all
parties suggest a belief that a more closely integrated Europe
would increase Western Europe's voice in world affairs and in
NATO. This factor has become more pronounced in recent years,
probably because the West Germans appear to perceive that, while

*The West Germans do not regard the conduct of intra-German relations as
foreign policy. [REDACTED]

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the US role in the defense of Western interests will remain crucial, US policy often is unreliable and neglectful of European interests. Moreover, we think they see European cooperation as a way to increase West Germany's voice in world affairs without exposing Bonn to the suspicions great powers attract. []

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A survey of West Germans' statements on European integration also indicates they see other political advantages in a strong Europe. For example, Europe could then assert its position more easily in areas where European interests differ from those of the United States, such as in Middle East policy, international economic policy, and some North-South issues. As the controversy in 1982 over supply of equipment for the Siberian gas pipeline demonstrated, unified opposition by key EC countries to the United States clearly reduces the need for West German leaders to make tough choices. On issues on which there is no domestic consensus (such as participating in research on the Strategic Defense Initiative), a "joint European response" in Washington's favor makes it easier for Bonn to associate itself with the US policy than if Bonn stood alone. []

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Economic Interests

The West German economy is highly integrated with and dependent on Western Europe. West German exports account for more than one-fourth of its GNP (about one-third of GNP when services are included), and West Germany obtains significant economic benefits from the EC's tariff-free-internal market. []

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Since 1975, the EC's share of total West German commodity exports has remained relatively constant, fluctuating between 43 and 48 percent. When non-EC countries are included, Western Europe accounts for two-thirds of total exports (see Figure 1). By contrast, in 1984 the United States purchased 9.6 percent of total exports, and exports to all Communist countries accounted for only 5.1 percent of the total, an amount roughly equal to West German exports to Switzerland. The top three purchasers of West German goods are France, the Netherlands, and the United Kingdom. On the import side, the shares of West Germany's total imports from the EC and Western Europe have averaged about 50 and 60 percent respectively since 1975 (see Figure 2). []

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Although the direction of West German private direct foreign investment has changed dramatically over the last decade in favor of the Western Hemisphere (particularly to the United States), a large share still goes to Western Europe. As of mid-1984, 46 percent of West Germany's cumulative foreign investment totaling DM 106.6 billion was in Western Europe (30.7 percent of the total was in EC countries). At the end of 1983, investment from West

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Figure 1

West Germany: Geographic Distribution of Exports

Percentage of total exports 1975-83

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Western Europe	63.2	65.5	64.2	64.0	67.1	67.8	64.7	65.9	66.1	?
United States	5.9	5.6	6.7	7.1	6.6	6.1	6.6	6.6	7.6	9.6
Communist Countries	8.0	6.9	6.2	6.3	6.1	5.6	5.0	4.9	5.3	5.1
LDC	15.8	15.8	16.7	16.1	13.8	14.3	17.2	16.5	14.9	?
Other	7.1	6.2	6.2	6.5	6.4	6.2	6.5	6.1	6.1	?
EC	43.6	45.7	44.9	45.9	48.3	48.1	45.7	47.0	47.1	?

Source: UN Trade

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Figure 2

West Germany: Geographic Distribution of Imports

Percentage of total imports 1975-83

	1975	1976	1977	1978	1979	1980	1981	1982	1983
Western Europe	61.5	60.4	61.1	63.6	62.8	60.8	61.2	62.3	64.3
United States	7.7	7.9	7.2	7.2	7.0	7.6	7.7	7.5	7.1
Communist	4.7	4.9	4.8	5.6	5.5	5.1	5.2	5.5	5.5
LDC	19.9	20.3	20.2	17.6	18.4	20.1	19.2	17.9	15.9
Other	6.2	6.5	6.6	6.6	6.3	6.4	6.7	6.8	7.2
EC									

Source: UN Trade

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European countries accounted for 56.7 percent of total foreign investment in West Germany (36.6 percent originated in the Western Hemisphere). In recent years, Western Europe's share of total annual investment in West Germany has averaged about 75 percent, suggesting that from West Germany's standpoint, it is becoming more important. [REDACTED]

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There is a widespread realization in West Germany that greater European cooperation is necessary if Western Europe is to continue producing big-ticket products and remain competitive with the United States and Japan in the development of high technologies. Major cooperation projects to date include Airbus and the development of the Ariane space launch system. [REDACTED]

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The US Strategic Defense Initiative provided the impetus for the most recent push for enhanced cooperation: the French proposal of a European Research Coordinating Agency also known as EUREKA (see Annex A, "EUREKA: The West European High Technology Initiative"). The West Germans initially were suspicious of the French proposal, in particular, the creation of a new bureaucracy with only vaguely defined objectives. The Kohl government also was unwilling to associate itself with a program that appeared to be an "alternative" to SDI. The original EUREKA proposal has since been modified somewhat to define objectives more clearly and to make it distinct from SDI. The West Germans' enthusiasm for the project has risen accordingly and we expect that some limited cooperation efforts eventually will emerge. [REDACTED]

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Armaments Cooperation. The West Germans, who have been dissatisfied with the imbalance in weapons procurement between the United States and Western Europe, see a number of advantages to cooperation with their European partners in the development and production of armaments. Specifically, they see armament co-production arrangements as important in modernizing defense industries and maintaining domestic employment, spreading out the research and development of modern weapon systems, promoting standardization and interoperability, and even as circumventing Bonn's own tight restrictions on arms exports. [REDACTED]

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West Germany has been one of the most active co-producers of weapons (see Figures 3 and 4). Between 1950 and the spring of 1983, they had cooperated with France on 34 projects and with the United Kingdom on 24. The most notable are the Tornado Multirole Combat Aircraft (West Germany, the United Kingdom, and Italy) and the Alpha Jet (West Germany and France), as well the HOT and Milan anti-tank weapons and Roland surface-to-air missiles (France and West Germany). [REDACTED]

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Bonn and Paris recently concluded a \$3.5-billion agreement under which the French firm Aerospatiale and West Germany's

Figure 3

West Germany: Current Bilateral Cooperation Projects with France

<u>Designation</u>	<u>Phase</u>	<u>Participating Companies</u>
MILAN Antitank Missile	Procurement	MBB ¹ / SNIAS ²
HOT Antitank Missile	Procurement	MBB / SNIAS
ROLAND Air Defense Missile	Procurement	MBB / SNIAS and others
Alpha Jet	Procurement	Dornier/Dassault
Antitank Helicopter 2	Development	MBB / SNIAS
KORMORAN Air-Ship Missile	Procurement*	MBB
2nd Generation Sea Target Missile (ANS)	Definition	MBB / SNIAS
MITRAC Radio Navigation System	Procurement*	SEL ³ / LMT ⁴
Optimization of 120mm Kinetic Round	Definition	Rheinmetall/GIAT ⁵ and others

* Only participation of French industry, no joint German-French procurement.

1 Messerschmitt-Boelkow-Blohm.

2 Societe Nationale Industrielle Aerospatiale.

3 Standard Elektrik Lorenz.

4 Le Materiel Telephonique.

5 Groupement Industriel des Armements Terrestres.

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Figure 4
West Germany: Participation in Multilateral Cooperation Projects

<u>Designation</u>	<u>GE plus Partners</u>	<u>Phase</u>
MILAN Night Vision Equipment	France, United Kingdom	Development
MARS/Multiple Branch Rocket System	France, United States, United Kingdom, Italy	Development/ Procurement
Medium Air Defense Missile System (Follow-on to HAWK)	France	Pre-Concept
3rd Generation Guided Antitank Missile Systems (PARS 3)	France, United Kingdom	Definition
Improved HAWK Missile System	France, Belgium, Denmark, Italy, United Kingdom, Netherlands, United States	Procurement/ Utilization
Fighter Aircraft 90	France, Italy, Spain, United Kingdom	Pre-Concept
Tactical Transport Helicopter	France, Italy, United Kingdom	Concept
CL-289 Reconnaissance Drone	France, Canada	Development
Tactical-Technical EW System	France, United States	GE Participation Suspended
NAVSTAR Global Positioning System	France, Belgium, Canada, Denmark, Italy, Netherlands, United Kingdom, United States	Development
Frigate for the Nineties	France, United Kingdom, United States, Italy, Netherlands, Canada, Spain	Concept

Source: Wehrdienst, 4 February 1985

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[redacted]

Messerschmitt-Boelkow-Blohm will produce an anti-tank helicopter. The West Germans have been examining the technical and financial implications of cooperation with France to construct an observation satellite for military use. Discussions have been underway between West Germany, France, the United Kingdom, Italy, and Spain on an agreement to produce jointly a European Fighter Aircraft (EFA) for the 1990s. Although differences over specifications have been narrowed, we believe that disagreement between the United Kingdom and France over the size of the plane and over leadership of the project make the participation of all the countries doubtful. Press reports in early August indicated that differences could not be bridged and that West Germany would cooperate with the United Kingdom and Italy in producing a new fighter. [redacted]

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Toward a United States of Europe

Post-war West German policy has generally assumed active participation in the ultimate creation of an economically and politically unified United States of Europe, but Bonn has had no clear blueprint for achieving this goal. Its primary focus has been on expanding economic and political cooperation within the institutional framework of the EC. In the last few years, however, frustrations with the EC and increasing interest in cooperation on defense and security issues have caused the West Germans to look to other institutions. [redacted]

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The EC

Despite its economic power, Bonn traditionally has been unable to exert an especially visible leadership role within the EC because of domestic and international sensitivities. In order to give momentum to European unity, therefore, Bonn generally has been willing to tolerate French leadership in the EC. Bonn's objectives, however, often have differed from those of the French, and have almost always been more ambitious than West Germany's partners would prefer. [redacted]

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West Germany has four major objectives in the EC:

- Promote economic liberalism and free trade. Confident of its own competitiveness vis-a-vis their European partners and heavily dependent on foreign trade, Bonn has been a major force in the Community opposed to increased protectionism. With the exception of the EC's agricultural policy, Bonn has generally resisted subsidizing troubled industries and setting production quotas. In the most notable quota case--steel--the West Germans agreed to national production quotas in 1980 only after it became apparent they were totally isolated.

- Promote enlargement of the Community. Bonn has been an enthusiastic advocate of enlargement, beginning with the accessions of the United Kingdom, Ireland, and Denmark in 1973, followed by Greece in 1981, and next year by Spain and Portugal. In supporting enlargement, West Germany's motives clearly are more political than economic: to increase Western Europe's weight in the world, to stabilize the new democracies in southern Europe, and to detract from the notion that the EC is run by a Franco-German directorate.
- Promote political cooperation. The West Germans also are enthusiastic supporters of political cooperation--informal or institutionalized consultations by EC members aimed at achieving common positions on a given issue. Bonn continues to seek a formal agreement to institutionalize political cooperation. A high Chancellery official told US diplomats earlier this year that West Germans desire a secretariat and secretary general to deal with foreign policy matters. He conceded, however, that it was most unlikely that much more "than we already have in practice in the EC" would emerge. Still, West Germany and France jointly presented their EC partners with a proposed treaty on European Union at the EC summit in Milan in June.
- Bring Community finances into line. The West Germans long have sought constraints on expenditures and a more equitable distribution of Community funds. Bonn has seldom complained in recent years about the magnitude of its own payment to the Community, which amounts to about one-fourth of the EC's budget, but has argued that the wealthier countries of northern Europe should also be net contributors rather than net beneficiaries. [REDACTED]

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The West Germans' commitment to European integration clearly is indicated by Bonn's past and continued readiness to pay an additional share of the EC budget. Chancellors Schmidt and Kohl have both emphasized in public speeches that given its relative wealth, West Germany will remain for the indefinite future the largest net contributor to the Community. This remains a consensus viewpoint in all the major parties. [REDACTED]

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Public support in West Germany in favor for closer European cooperation is strong. An EMNID poll in 1983 showed that by a margin of 60 to 36 percent West Germans thought that the pursuit of European unity was more "urgent" than the pursuit of German reunification. Although this represented a decline in Europeanism from a similar poll in 1973 (65 percent to 23 percent thought European unity was more urgent), it represented a sharp reversal from 1965, when West Germans, by a margin of 69 to 24

percent, thought German reunification was a more urgent goal. Significantly, younger West Germans are the strongest supporters of European unity. In 1983, 68 percent of those under 19 thought European unity a more urgent goal than reunification, in contrast to only 47 percent 65 years of age or older. [redacted]

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West German attitudes toward the EC are evolving, however. Despite continued support for European integration, there is greater skepticism about where the process is going. EMNID polls between 1973 and 1983 showed a drop from 47 to 19 percent in the number of West Germans who thought it certain or probable that a unified Europe would exist in the year 2000. The number who thought it unlikely increased during this same period from 13 to 31 percent. [redacted]

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West German assertiveness has manifested itself in a number of ways. For example, Bonn this year insisted on linking its approval for increasing Community financial resources to agreement on Spanish and Portuguese accession. Bonn also did some unusual public grandstanding in demanding that the EC accept the West German timetable for introducing catalytic converters in automobiles. The West Germans found themselves totally isolated, however, and eventually backed down. [redacted]

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A major factor behind the increase West German assertiveness is money. Since the early 1980s, reducing the federal budget deficit has been a top priority for West German governments. It did not escape the attention of West Germans that their net contribution to the EC in the early 1980s amounted to about 20 percent of the total federal deficit. This made Bonn even more insistent on EC budget reform. But Bonn has been ambivalent on reforming the biggest budgetary sinkhole, the Common Agricultural Policy (CAP). West German farmers draw significant benefits from the CAP (in 1983, for example, only France received a larger share of CAP payments), and the Christian Democrats need the farm vote in any close election. The Kohl government, therefore, has not felt free to demand a more rational agricultural policy, and on 12 June, in fact, the West Germans vetoed a decrease in cereal support prices--a move which flied in the face of the traditional West German desire to cut wasteful CAP subsidies and to move toward a system of majority voting. Indeed, it was the first time since joining the Community in 1957 that West Germany exercised a veto.* [redacted]

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*The new West German assertiveness has not gone unnoticed and has prompted considerable media commentary. The Sunday Times wrote in March that "West Germany has taken over from Britain as the country other Common Market members love to hate." Le Monde published an article that same month charging that Bonn's EC policy contradicted its stated interest in a more united Europe. More recently, EC President Delors gave an interview in the West German weekly Stern in which he stated that German intransigence on the proposed cereal price cuts had "dealt Europe a nasty blow." Delors added that "the Germans must decide whether or not they want really to engage themselves" in European integration. A Bonn government spokesman rejected Delors's comments as "partial and absurd." [redacted]

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Trying to Overcome the EC's Malaise

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Kohl's initial focus after INF deployments continued to be on improved EC cooperation. In particular, he hoped to get the EC moving again through Spanish and Portuguese accession and by bringing Community finances into line. [REDACTED]

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West Germany's European policy did undergo some changes in reaction to the EC's continuing problems and what we believe the Kohl government saw as a desperate need for a success on the European front--particularly in the defense and security sectors--following initial INF deployments. For example, whereas Bonn previously resisted all suggestions of a "two-tier Europe" or a "Europe at two speeds," the idea of cooperating more closely with only a few countries--or even just France--has become more attractive. And because the EC has no mandate to deal with defense issues and includes such "troublesome" members as Greece, Ireland, and Denmark, Bonn has been more ready to look to other institutions and forums to promote European cooperation. [REDACTED]

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Revitalizing the Western European Union

Kohl gradually came to support a revitalized Western European Union (WEU) as a better forum than the EC to promote European cooperation, despite divisions within his government. Many doubted that anything could be accomplished, and they pointed out that other institutions already existed to do much of what proponents of the WEU were arguing it should be. The Foreign Ministry initially was unenthusiastic about the French initiative, questioning whether it would promote European political cooperation. Some conservatives within the coalition opposed the initiative because they feared it would be viewed negatively in the United States, that it could lead to a lessening of Washington's commitment to NATO, or alternatively, that it could lead to a lessening of West Germany's commitment to NATO. Still suspicious of French motives, these critics believed that if the French were so worried about Western security, they should work more closely with NATO. [REDACTED]

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Proponents of the WEU claimed, on the other hand, that the revitalization project and increased bilateral Franco-German defense cooperation would have the effect of tying the French more closely to the defense of Western Europe. Indeed, in our view, the support of French President Mitterrand made the project all the more attractive for Kohl, and he probably believed a British role would calm US fears of a potentially disruptive European adventure. For Kohl and other proponents, the WEU initiative had the further advantage of being supported by the Social Democratic Party at a time when the government was seeking to repair damage to the domestic consensus on security issues. [REDACTED]

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West Germany's support for the WEU initiative contrasts sharply with its opposition to earlier French efforts to revitalize the organization when concerns about undermining NATO were uppermost in West German minds. For many West Germans, the WEU's restrictions on West German arms production had become an irritating reminder of Bonn's less than complete sovereignty. Now, however, the French and other WEU members agreed to remove the remaining restrictions on West German conventional arms production. And, in contrast to the past, French motives appeared designed more to strengthen NATO than to create a European alternative to the two superpowers. Also influential was the West Germans' extreme unhappiness about the lack of a "two-way street" in transatlantic arms procurements and their desire to increase European co-production arrangements. [redacted]

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We believe the West Germans are satisfied with the limited results to date of the WEU initiative. We do not believe West German officials expected dramatic results. During the critical first year following INF deployments, the initiative--particularly the meetings of defense and foreign ministers, as well as arms control experts--allowed Bonn to demonstrate to public opinion and the political opposition that the Europeans were seeking ways to cooperate more closely on security and defense issues. More recently, the WEU has served as a forum in which the West Europeans have been able to discuss the Strategic Defense Initiative. For West German domestic purposes, the symbolic aspects of European cooperation (or the perception of progress) are, in our view, an adequate substitute for practical results--which still are lacking. [redacted]

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The Franco-German Link

In terms of results, Bonn has gained more in its bilateral relations with France than in multilateral forums. Indeed, Kohl's first foreign visit--within hours after being elected chancellor--was to France. Kohl since then has met more frequently with Mitterrand than with any other leader, and relations between the foreign and defense ministers have been equally intense. [redacted]

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Simple political and economic realities make such close relations an absolute necessity. Most experts agree that West Germany needs a partner or partners in pursuing European integration in order to avoid arousing suspicions and fears that it intends to dominate a united Europe. From Bonn's perspective, very little can be accomplished as a practical matter without French cooperation. And while Bonn and London are natural partners on many key Community economic issues, the United Kingdom still does not appear to the West Germans to be interested in promoting the political unity of Europe. As a result, Paris and Bonn clearly have dominated the European integration process. Although both have publicly sought to avoid the impression that a Franco-German "directoriate" exists within Europe, they have demonstrated readiness to "go it alone" when necessary. [redacted]

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Limitations to the "Special Relationship"

The symbolic aspects of the Franco-German relationship, including frequent high-level meetings, are important in themselves from the West German standpoint. Nonetheless, the symbolic acts mask very real obstacles to meaningful cooperation in several critical policy areas. [REDACTED]

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Forty years after the war, neither nation entirely trusts the other. Many French worry about domestic trends in West Germany and the directions of Bonn's Ostpolitik, while some Germans suspect the French support closer cooperation only as a means to milk money from West German taxpayers and technology from West German industry. Cultural differences sometimes also burst to the fore, with the French playing the role of haughty World War II victors, and the West Germans scoffing at the perceived inability of the French to manage their economy. [REDACTED]

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In the past, basic differences of interest on questions such as Western Europe's relationship to the superpowers and the pursuit of West European integration also have set France and West Germany at odds. For example, the West Germans were irritated by France's past opposition to EC enlargement, including de Gaulle's two vetoes of British membership during the 1960s, as well as Giscard's call in 1980 for a "pause" in enlargement talks with Spain and Portugal and Mitterrand's footdragging on this in the early 1980s. Bonn also strongly disapproves of some French assertions of "independence"--such as France's withdrawal from NATO's military wing--which it views as harming NATO or as exacerbating US-West European tensions. [REDACTED]

Differing economic systems and philosophies also have inhibited cooperation and have sometimes led to bilateral tensions. The French--who have had large trade deficits with West Germany--complain that some West German industrial and health standards serve as non-tariff barriers to trade. For their part, high domestic unemployment has made the West Germans reluctant to cut back on exports, as the French sometimes have requested. [REDACTED]

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[REDACTED]

In the past, cooperation also was hindered by West Germany's unease about certain aspects of French military planning and by French

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reluctance to ease these concerns. Of particular interest to the West Germans were French plans to use nuclear weapons on German soil, possibly including enhanced radiation weapons. The West Germans, moreover, have been frustrated by the French refusal to state explicitly that France would participate in the forward defense of the Federal Republic. [redacted]

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The longer-term prospects for closer political and defense cooperation, in our opinion, have brightened in recent months. The French appear to have shown greater understanding for West German psychological needs. During the long INF debate, the French became more concerned about the domestic stability of West Germany--particularly what they saw as rising neutralist sentiment. Like the Kohl government, the Mitterrand government apparently concluded that the best way to minimize West German alienation from the West was to promote European integration or, failing this, closer bilateral ties. Concern about West Germany has helped France overcome some of its own reservations about yielding sovereignty to promote European cooperation. The change in French thinking has been most apparent in the very existence--unthinkable only a few years ago--of public discussion on whether the French nuclear guarantee should be extended to cover West Germany.* [redacted]

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The French move closer to NATO makes it politically easier for the West Germans to expand bilateral cooperation. In contrast to the de Gaulle governments of the 1960s, the Mitterrand government has not appeared interested in forcing West Germany to choose between cooperation with France and dependence on the United States in security matters. Schmidt was delighted when Mitterrand agreed to attend the Bonn NATO summit in 1982, and Mitterrand's strong support for INF provided a boost to both the Schmidt and Kohl governments. [redacted]

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Franco-German Defense Cooperation

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Considerable progress has been made in recent years in improving defense cooperation (see Annex B, "Aspects of Franco-German Defense Cooperation"). In October 1982, shortly after the Christian Democrats came to power, Kohl and Mitterrand activated the long-dormant provision of the 1963 Treaty of Friendship calling for closer

*A recent French poll showed that 57 percent of those questioned favored France's using military force in case of an attack on West Germany. Forty percent (13 percent in full agreement and 27 percent in partial agreement) favored an extension of the French nuclear guarantee to cover West Germany. Twenty-four percent disagreed somewhat or totally. [redacted]

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bilateral security cooperation.* A coordinating committee of their respective foreign and defense ministers was to meet between the heads of government summits that take place every six months. The first such meeting took place on 21 October 1982. The foreign and defense ministers agreed that future discussions should deal with French strategic thinking, co-production of weapons, and enhanced public relations efforts to explain security policies. [REDACTED]

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Institutional contacts between the two sides have broadened. In addition to the semiannual meetings of foreign and defense ministers, there are quarterly meetings of foreign and defense ministry officials at the state secretary level. Staff-level working groups meet on a more frequent basis. [REDACTED]

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Discussions of French strategic thinking are of great concern to West German officials and present them with a difficult problem. The French have been somewhat positive in these discussions in the face of West German threats implying that efforts to expand bilateral defense cooperation could be held hostage to Paris's willingness to consult on nuclear strategy and force planning. Given the sensitivity of French planning, only a privileged few in Bonn and Paris are aware of what is going on. West Germans at the highest levels of government probably would like more information, but we believe they are satisfied that nuclear issues should not pose a burden to bilateral relations provided the public at large remains indifferent to the issue. The problem for top West German officials is posed by members of the Bundestag and other lower-level officials who are not aware of what is going on and who resent the French reticence. [REDACTED]

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Kohl appears to be making an effort to prevent this from happening. For example, Kohl made an unusual public statement in July that he would be discussing nuclear targetting with Mitterrand in the near future. This statement probably was an effort to defuse this issue. And following Kohl's meeting with Mitterrand on 24 August, the two sides issued a statement that they would strengthen their security

*The 1963 Treaty of Friendship includes provisions for the development of a common security policy. Specifically, the armed forces were to cooperate, French and West German armament industries were to work and conduct research together, and an effort was to be made to develop common strategic and tactical military doctrines. Although Kohl and Mitterrand formally activated these provisions of the Treaty, the French President and Chancellor Schmidt already had agreed at their summit in February 1982 on the need for closer understanding and collaborative efforts on security issues. [REDACTED]

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ties. No details were given other than the decision to open a telephone hotline between Bonn and Paris "to facilitate communications" between the two leaders. [redacted]

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Looking Ahead

We do not foresee any cracks in the consensus in West Germany favoring greater European cooperation. West Germans also believe that they can continue easily to reconcile their push for closer European cooperation with the maintenance of close relations with the United States. We believe they will continue to operate on the basis that nothing they do in promoting European cooperation should undermine NATO or the commitment of the United States to defend West Germany. This fundamental ordering of priorities often may not be apparent. The West Germans have a tendency to take good relations with Washington for granted while at the same time emphasizing publicly the need for closer European cooperation to strengthen the European pillar of the Alliance and to remain economically competitive with the United States and Japan. [redacted]

25X1

The danger exists that NATO could be weakened by misperceptions on both sides. We believe the West Germans would greatly resent any action by the United States suggesting it opposes European efforts to improve cooperation. So far, Washington has been perceived as generally supportive of efforts to this end. At the same time, more frequent discussions of security issues among the West Europeans could present some problems for US officials. The West Europeans sometimes will be able to develop joint positions; when these differ from US views, the US position will be less likely to prevail than in the past. On the other hand, support for NATO among the West European public might increase if it perceives that Western Europe has a greater voice in the formulation of Alliance policies. [redacted]

25X1

West Germany's European policy will remain an important complement to its close relations with the United States. Evidence of greater European cooperation helps minimize domestic political problems stemming from the perception that Bonn governments are subservient to Washington in what is--after all--an unequal relationship. [redacted]

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In view of this, one of Bonn's greatest foreign policy nightmares is to be forced to choose between Washington and Paris. One of the Kohl government's main tasks will be to ensure that this does not happen. To this end, over the next year we believe the West Germans will seek to placate both Paris and Washington by agreeing to some form of participation in EUREKA, while at the same time working to ensure that EUREKA and SDI are compatible. The West Germans also will try to ameliorate any tension that might arise between Washington and Paris. [redacted]

25X1

Despite the consensus on Bonn's European vocation, the rising importance of bilateral relations with France has raised some questions about details of Bonn's foreign policy. While Bonn governments, in our view, will continue to place primary importance on relations with the United States when forced to make choices on important strategic matters, others in West Germany will seek to score political points by holding Bonn accountable for the ups and downs in relations with France. In the case of SDI, for example, former Chancellor Schmidt wrote a public letter to Kohl lamenting that his support for SDI had damaged relations with France and urging corrective action. Even the Free Democratic Party, Kohl's junior coalition partner, endorsed Genscher's view that priority should be given to repairing relations with France damaged at the Bonn Economic Summit, rather than on responding to the US offer to participate in SDI research. The Free Democrats, in our view, were able to take this stance in part because the Christian Democrats' support for Kohl's position was sufficiently solid to ensure that relations with Washington would not be damaged. Nonetheless, such rhetoric can only have a negative longer-term impact by imparting to some West Germans the notion that their country has security options other than close reliance on the United States. [REDACTED]

25X1

A second foreign policy nightmare for West German leaders is to be isolated from both the United States and their West European partners. Although this is not on the horizon, it could come about if Bonn perceived its allies were disregarding German security interests and/or the German economy were being harmed by an increase in international and intra-EC trade barriers. To date, the West Germans have not felt isolated on any important issue. For example, on the US-West European rift over the Siberian gas pipeline, they were in the same camp with the British, French, and Italians. [REDACTED]

25X1

In our view, the danger to the Alliance of an alienated West Germany is not that it would look toward the East, but rather that the legitimacy of the West German political system may be undermined from within with unpredictable consequences. The populace may come to question its leaders--who are aware of West Germany's limited options--as to why the leadership could not express and defend better the national interest. The leadership--which has cast the Federal Republic's lot with the West--would become discredited under these circumstances. This problem will become less hypothetical as time passes and West Germans become less sensitive to the constraints imposed on their country by its past. [REDACTED]

25X1

ANNEX A

EUREKA: The West European High Technology Initiative

Beginnings. France proposed EUREKA, an acronym for European Research Coordinating Agency, in a series of letters in mid-April from Foreign Minister Dumas to West European governments. Dumas outlined a program for research cooperation in seven areas of dual-use technology: artificial intelligence, high-powered lasers, large computers, microelectronics, new materials, optoelectronics, and space research. The French stressed that EUREKA's goals would be civilian. [redacted]

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Progress. The French have demonstrated considerable flexibility in modifying their original proposal to take into account objections, especially on the part of London and Bonn. In particular, the French have played down EUREKA's military implications, broadened its research areas, and dropped the idea of a new "agency." The program has been buoyed by the decision of several high-tech firms to take part. While West Europeans believe they might benefit economically from EUREKA, they also wish to demonstrate European unity. West European foreign and research ministers endorsed EUREKA on 17 July but have not yet settled on a framework or funding. They probably will settle eventually on a loose structure for EUREKA that fosters specific projects by companies and then invites governments to provide financial assistance. [redacted]

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EUREKA-SDI. The French devised EUREKA in part to prevent a "brain drain" of European researchers to SDI and a widening of the "technology gap" that separates Western Europe from the United States and Japan. Paris, furthermore, almost certainly timed its proposal to head off the possibility that other West European governments, particularly West Germany, would take part on a bilateral basis with the United States on SDI research. The French and some West German officials still wish to give EUREKA priority over the US program. EUREKA, therefore, may vie with SDI for resources and manpower in some areas where West European expertise could contribute to SDI. [redacted]

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ANNEX B

Aspects of Franco-German Defense Cooperation

Contribution to the forward defense of West Germany. Two principal West German goals are to maintain the present level of French forces in West Germany and to secure a formal French commitment to react in the event of an attack on West Germany. As a practical sign of this commitment, the West Germans have requested that the French agree to provide troops to defend the southeastern portion of the Federal Republic. The West Germans believe such a French commitment to participate in forward defense would strengthen the overall deterrent effect of NATO forces. The French, for their part, do not want to sacrifice their ability to act independently in the event of a crisis. French officials generally argue, moreover, that the uncertainty of how they will respond by itself acts to deter the Soviets. [redacted]

25X1

The French in recent years have moved to meet some West German concerns, however. For years, statements by French officials suggested that French forces would be used only to defend French soil, and the French still refuse to specify publicly at what stage they would intervene in the event of an attack on West Germany by Warsaw Pact forces. Mitterrand has reformulated his country's position by stating that French forces would also be used to defend "vital approaches" to France--a vague term which most observers interpret as including all or part of the Federal Republic. French Defense Minister Hernu went even farther in an interview in March when he stated that "the presence of 50,000 French soldiers in West Germany is clear evidence of our commitment." [redacted]

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The French apparently are being more specific in private discussions with West German officials. At the May 1983 summit, according to US Embassy reporting, Hernu provided private assurances that the current level of French forces in West Germany would be maintained. [redacted]

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25X1

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The West Germans have been pleased by the creation of the French Rapid Assistance Force (FAR). The Force--consisting of 47,000 men

equipped with anti-tank helicopters--will give France a new capability for forward intervention in the early stages of a conflict. The two governments in the past have discussed the possibility of West German logistical support for the FAR, and we suspect that these discussions are continuing. [REDACTED]

25X1

The West Germans also seek to enhance deterrence by attempting to persuade the French to allow NATO greater use of French territory and resources for logistical support, as well as encourage increased French cooperation with NATO forces. The Commander in Chief of French Forces in West Germany stated in an interview earlier this year that his forces will conduct intensive training with the Bundeswehr and Allied forces to master "interoperability procedures." In June, for example, a Franco-German maneuver code named "Alliance" featured the relief of a German unit by a French unit and a counterattack near the Czech border with mixed Franco-German units. In September 1986, according to the Commander, a large French unit will participate for the first time in the West German national maneuvers. [REDACTED]

25X1

Greater responsiveness to West German concerns about French nuclear weapons. There are several aspects to the nuclear weapon issue of great sensitivity to both sides. These issues include:

- Whether France should pledge its nuclear forces to the defense of West Germany and/or put them at the disposal of NATO.
- Whether the West Germans should have some control over the French nuclear forces.
- Whether France should discuss its nuclear strategy with the West Germans.
- Whether France should modify its nuclear forces or nuclear strategy to placate some West German concerns. [REDACTED]

25X1

The first two are not really issues, even though they crop-up periodically in theoretical discussions of Franco-German defense cooperation. The West Germans and French both realize that French nuclear forces (or, for that matter, French and British forces combined) are not capable of replacing the US nuclear deterrent in guaranteeing West Germany's security. All major West German political parties [REDACTED] are in agreement with this position. (The Greens have not taken a position.) And despite recent discussions in France on this subject and changes in French public opinion, the French want to keep West Germany closely wedded to NATO and would be unlikely to offer such a formal guarantee that could confuse the West German public into believing that West Germany has security options outside NATO. The result of the debate may be random statements by French officials implying France would intervene in the event of an attack on West Germany, leaving open the question of whether its response would be conventional or nuclear. [REDACTED]

25X1

Given domestic considerations, the French almost certainly would not offer the West Germans control over French nuclear forces, whether it be joint or partial ownership, or a "finger on the trigger." A consensus also appears to exist within West Germany that West Germans do not desire either role. Debate on this issue occasionally flares up, reflecting the West Germans' sensitivity about being dependent on the whims of others for their security. Such debates die out rapidly as the West Germans remember what impact their control (even if only partial) over nuclear weapons could have on West Germany's relations with the East and its smaller Western neighbors. [REDACTED] 25X1 25X1

[REDACTED]

Two French decisions--or non-decisions--on their nuclear weaponry arsenals have helped to avoid other tensions with the West Germans:

- The new French short-range nuclear system--the Hades--will have sufficient range--unlike the currently deployed Pluton--to avoid landing in West Germany. Although this is of central concern to Bonn, West German officials still are unhappy about the fact that the missiles would land in East Germany instead.
- The French have the capability to manufacture an enhanced radiation weapon, but have avoided announcing plans to do so. Given the perception that such weaponry would be used in West Germany, an announcement that production is to begin, would in our view burden bilateral relations. [REDACTED] 25X1

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